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Message Text

SECRET

PAGE 01 JAKART 02858 01 OF 02 071050Z
ACTION EA-06

INFO OCT-01 ISO-00 ONY-00 SS-14 /021 W
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FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 9611
INFO AMEMBASSY BANGKOK
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMEMBASSY RANGOON
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
AMEMBASSY VIENTIANE
USLO PEKING
AMCONSUL HONG KONG

S E C R E T SECTION 1 OF 2 JAKARTA 02858

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LIMDIS

FOR EA ONLY

E.O. 11652: GDS
TAGS: PFOR, US, XB
SUBJECT: US POLICY IN SOUTHEAST ASIA IN POST VIETNAM PERIOD

REF : KUALA LUMPUR 1215

1. SUMMARY: WE TAKE EXCEPTION TO ANALYSIS IN REFTEL AS FAR AS INDONESIA IS CONCERNED. WE HAVE REGIME OF WORRIED, BASICALLY INSECURE MEN, WHO DO STILL SEE INTERNAL COMMUNISM AS LONG RANGE THREAT AND WHO ARE LOOKING CAREFULLY AT US AS THEY ASSESS THEIR CHANCES FOR FUTURE. HOWEVER WE ASSESS WHAT OUR POSTURE SHOULD BE TOWARD INDONESIAN REGIME, WE

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CANNOT ASSUME NEEDS WILL BE FULLY MET THROUGH BASICALLY BENIGN POLICIES RELATING TRADE AND EDUCATIONAL EXCHANGES. FINALLY, WHILE APPRECIATING AMBASSADOR UNDERHILL'S FEELINGS ABOUT AID MISSIONS, WE FEEL HE FAILS TO APPRECIATE DEGREE TO WHICH NEW DIRECTIONS HAVE HAD IMPACT IN INDONESIA AND INEVITABILITY OF MISSION PRESENCE IF WE ARE TO PROVIDE ANY AID AT ALL. END SUMMARY.

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2. IN SPIRIT CONTINUING POLICY DIALOGUE DESIRED BY NEW EA LEADERSHIP, WE FEEL COMPELLED COMMENT ON AMBASSADOR UNDERHILL'S PROVOCATIVE ANALYSIS.

3. WHATEVER MAY BE SITUATION ELSEWHERE, INDONESIA HAS NEVER CONSIDERED ITSELF CLIENT STATE OF US, NOR HAS IT TOLERATED US PATERNALISM IF WE HAVE EVER SOUGHT TO EXERCISE IT. PRESENT INDONESIAN LEADERSHIP CANNOT BE CHARACTERIZED AS "SUPREMELY CONFIDENT MEN." WHATEVER MAY BE THEIR FACADE OF CONFIDENCE OR INDIFFERENCE ON INTER-NATIONAL SCENE, THEY ARE STILL DEEPLY AFFECTED BY ABORTIVE COMMUNIST COUP IN 1965, STILL FEAR COMMUNISM AS POSSIBLE ALTERNATIVE SYSTEM OF SOCIAL ORGANIZATION IN INDONESIA, AND ATTACH MAJOR IMPORTANCE TO CONTINUED EQUILIBRIUM AMONG MAJOR POWER ADVERSARIES IN SOUTHEAST ASIA. WE DO NOT BELIEVE THAT IMAGE OF MOTHER AT KINDERGARTEN DOORWAY CAN SUITABLY BE APPLIED TO HARD-HEADED, IF TROUBLED, MEN, WHO HAVE CONCLUDED THAT A CLOSE RELATIONSHIP WITH UNITED STATES WILL GIVE THEM TIME TO STRENGTHEN THEIR OWN ALTERNATIVE SYSTEM. WHILE ACKNOWLEDGING THEIR FAILINGS, FACT IS INDONESIA AND THE LOT OF AVERAGE INDONESIAN HAS IMPROVED UNDER THEIR LEADERSHIP.

4. INDONESIAN LEADERS SEE RELATIONSHIP WITH US IN TERMS (1) CONTINUED WILL OF UNITED STATES TO BALANCE SOVIET AND - TO LESSER EXTEND - CHINESE PRESENCE; (2) MILITARY ASSISTANCE; AND (3) US PARTICIPATION IN INTERNATIONAL ECONOMIC AID EFFORT. THESE ARE PARTS OF AN "AMERICAN OPTION" WHICH

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INDONESIANS HAVE CONSCIOUSLY CHOSEN; IT HAS NOT BEEN IMPOSED UPON THEM. THEY HAVE CHOSEN IT AT COST SOME INTERNAL COM-PLAINTS, PARTICULARLY FROM NATIONALISTS.

5. ONE CAN ARGUE THAT, REGARDLESS OF WHAT WE DO, INDONESIAN REGIME HAS FEW OTHER OPTIONS. WHILE THEY MAY NOT EMBRACE OUR ADVERSARIES, THEY CLEARLY HAVE OPTION OF REDUCING OUR DIPLOMATIC ACCESS, LISTENING LESS TO US ON ISSUES LIKE HUMAN RIGHTS, AND ATTACKING US MORE ON MATTERS OF MARGINAL VALUE TO THEM. I HAVE SSEN IN OTHER AREAS SUBTLE CHANGE IN RELATIONSHIP WHICH OCCURS WHEN WE UNILATERALLY DISMANTLE ESSENTIALS OF EARLIER RELATIONSHIP. THIS COULD HAPPEN IN INDONESIA. I BELIEVE IT SHOULD, IF AT ALL POSSIBLE, BE AVOIDED.

6. ADMITTEDLY, IT BECOME DIFFICULT TO STATE PRECISELY WHAT ELEMENTS OF OUR SOUTHEAST ASIAN PRESENCE ARE IMPORTANT TO INDONESIANS. THEIR GENERAL SENSITIVITY TO FOREIGN BASES PRECLUDES THEM FROM TAKING USEFUL STAND PUBLICLY OR WITH

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PHILIPPINES. NEITHER THEY NOR WE WANT GENERALIZED RHETORIC
FROM US OF KIND WHICH IN PAST HAS CAUSED US TROUBLE BOTH
WITH CONGRESS AND ABROAD.WHAT WILL IMPACT NEGATIVELY ON
INDONESIAN LEADERS ARE ANY ACTIONS WHICH SEEM CLEARLY TO
IMPLY THAT WE ARE NOW INDIFFERENT TO FATE OF NON-COMMUNIST
COUNTRIES IN ASIA. FOR THIS REASON, IF WE WISH TO PRESERVE
OUR CURRENT RELATIONSHIP, ANY ADJUSTMENTS WE MAKE IN KOREA,
IN RELATIONS WITH VIETNAM, IN PHILIPPINES SHOULD BE
ACCOMPANIED BY SUFFICIENTLY HIGH LEVEL DIPLOMATIC ACTIONS
TO EXPLAIN AND REASSURE REGARDING OUR OVERALL INTEREST IN
AN EQUILIBRIUM OF FORCES IN SEA.

7. WASHINGTON POLICY MAKERS MUST, OF COURSE, DECIDE WHETHER
SUCH REASSURANCES OR SUCH RELATIONSHIP IS IMPORTANT IN
OVERALL FOREIGN AND DOMESTIC CONTEXTS. ADMITTEDLY THIS

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ACTION EA-06

INFO OCT-01 ISO-00 ONY-00 SS-14 /021 W
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S E C R E T SECTION 2 OF 2 JAKARTA 02858

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IS NOT PERFECT REGIME, ALTHOUGH WE FIND AMBASSADOR
UNDERHILL'S CHARACTERIZATION OF GENERALS AS UNDULY FACILE.
IT IS HARD TO SEE ALTERNATIVE THAT WOULD PROVIDE ANY GREATER

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DEGREE OF GENERAL FREEDOM, OF RESPONSIBILITY IN WORLD
AFFAIRS, AND OF ACCESS FOR OUR BASIC INTTERESTS. POSSIBLE
ALTERNATIVES ARE RIGHTIST MUSLIM REGIME WHICH WOULD SPLIT
COUNTRY, MILITANTLY NATIONALIST ORDER, OR RESURGENT
COMMUNISM. DEOMCRACY IN OUR SENSE IS NOT ONE OF THEM.

8. AMBASSADOR UNDERHILL TAKES PARTICULAR EXCEPTION TO
MILITARY ASSISTANCE WHICH IS, ADMITTEDLY, DIFFICULT PROBLEM.
OUR ASSISTANCE HAS ENABLED GOI TO PLACE GREATER EMPHASIS ON
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ECONOMIC DEVELOPMENT (MILITARY DEVELOPMENT BUDGET IS ONLY 3 PER-
CENT OF TOTAL). PROGRAM HAS GIVEN US LEVERAGE ON HUMAN
RIGHTS QUESTION. INDONESIANS HAVE BEEN GENERALLY RESPON-
SIVE TO OUR LIMITATIONS ON USE OF US ARMS IN TIMOR. I
DO NOT BELIEVE SUCH PHRASES AS "INDONESIAN GENERALS ARE
AFRAID WE WILL WITHDRAW OUR MONEYBAGS" ARE HELPFUL TO
INTELLIGENT DEBATE OVER OUR FUTURE POLICIES. FACT IS THAT
INDONESIAN GENERALS WHO WANT PERSONAL PROFIT SHUN US
MILITARY PROCUREMENT FOR THAT FROM EUROPE WHICH YIELDS
GREATER POSSIBILITIES PERSONAL COMMISSIONS.

9. WE TAKE STRONGEST SUBSTANTIVE EXCEPTION TO SUGGESTION
THAT AID MISSIONS ARE UNINFLUENTIAL, ANACHRONISTIC HOLD-
OVERS AND SHOULD BE WITHDRAWN. IN INDONESIA, OUR AID EFFORT
IS PART OF WHAT OVER YEARS HAS BEEN HIGHLY SUCCESSFUL INTER-
NATIONAL EFFORT IN WHICH WE ARE PARTICIPATING WITH THIRTEEN
OTHER COUNTRIES AND IBRD. US EMPHASIS ON HELP TO POORER
LEVELS OF POPULATION HAS HAD DISTINCT EFFECT ON GOI AND
OTHER DONORS. AID-LED POPULATION PRORAM HAS HAD DEMON-
STRABLE SUCCESS IN HIGHLY IMPORTANT AREA. NEITHR CONGRESS
NOR REALITIES OF INDONESIAN SCENE WOULD ENABLE US TO
CONTINUE THIS ROLE WITHOUT AID MISSION.

10. WE DO NOT, IN THIS ANALYSIS, EXCLUDE IMPORTANCE, ALSO,
OF TRADE AND COMMODITY POLICIES, COOPERATION WITH ASEAN,
AND ECHANGES, BUT, IN INDONESIA, AT LEAST, WE CANNOT
IGNORE FACT THAT LEADERSHIP REMAINS CONCERNED BY GEO-
POLITICAL AND MILITARY CONSIDERATIONS AND WE ARE, INESCAPABLY
AN ELEMENT IN THIS QUESTIONS.
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Message Attributes

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Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Control Number: n/a
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Sent Date: 07-Mar-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770077-0744
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Original Previous Classification: n/a
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Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: ONLY
Reference: 77 KUALA LUMPUR 1215
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3189355
Secure: OPEN
Status: NATIVE
Subject: US POLICY IN SOUTHEAST ASIA IN POST VIETNAM PERIOD
TAGS: PFOR, US, XB
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/a75781bc-c288-dd11-92da-001cc4696bcc
Review Markings:
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Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009